

**Jim Doyle**  
Governor

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**State of Wisconsin**

**Department of Workforce Development**

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**Proposed Rules Relating to Prevailing Wage Rates**

**Chapter DWD 290/CR 04-081**

**Rule Analysis for Legislative Review**

**Need for rules**

Recent dramatic increases in the cost of health insurance have necessitated that the Department review its interpretation of the methodology for determining the prevailing wage rates. The Department proposes to determine whether there is a majority of hours reported that receive a total economic benefit that is the sum or the hourly rate of pay and the hourly fringe equivalent rather than requiring an exact match of the figures separately. The proposed methodology will not penalize unions that agree to a lower rate of pay during the contract period to cover the increased cost of health insurance.

**Public hearing response**

A public hearing was held in Madison on August 17, 2004. A summary of the hearing comments and the Department's responses is attached.

**Response to Legislative Council staff recommendations**

The Department's response is attached.

**Final regulatory flexibility analysis**

The proposed rule will have an effect on small business as defined in s. 227.114 (1), Stats., but will not have a significant economic impact on a substantial number of small businesses.

**Department contacts**

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